

FOR COORDINATION WITH US Navy

VIA AIR

DISPATCH NO. FHHA-1459

DATE: JUN 1 1953

INFO: Chief, FE-6

TO : Chief, FE

FROM : Chief of Station, []

SUBJECT { General - Operational/CI
Specific - Armistead et als Case.

REFERENCE: FHHA-876

ACTION REQUIRED: None, for your information only.

1. Security restrictions imposed by the Navy make it impossible to forward a complete report as desired although all records may be read locally. However, material as found in Attachment A is available and is forwarded. The other material can be covertly copied but it is not believed proper to do so at this point.

2. The material forwarded is a summary of the biographies of various members of the possible espionage group. In connection with these biographies certain remarks in Attachment B are keyed to the proper biography.

3. All records not available for transmittal from here should be available to COMNAVFE and FILFACTS, Yokosuka, where they may be obtained by liaison with the CI officers. Many of the matters reflect on officers still on duty with the Navy and who may still be accused of some offence. Therefore, the records are sensitive and caution in approaching the Navy is required.

4. The biographies attached do not present many of the pertinent facts of the case nor reveal the many possible ramifications which make it possible that a major espionage ring may have been involved in this case. If the records are not available for any reason at Yokosuka or Headquarters, it might well be worth while for a KUVRAF officer transiting [] to stop here for one or two days to study the records. Commander Lacy, who is most cooperative in this respect, is now on a trip

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)

(2)(A) Privacy ☐

(2)(B) Methods/Sources ☒

(2)(G) Foreign Relations ☐

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2005

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12 Jun 56
Page 2

but is due to return 27 June. He will be glad to give a thorough briefing to any person certified by [] Station. Facilities at this station, as well as lack of KUWRAP trained individuals, will make it impossible to digest and brief the whole case unless it can be done piece-meal and over a greatly extended period. The case probably does not justify a special trip from Yokosuka or Headquarters but, as suggested, the first transiting KUWRAP officer might well furnish a solution to this problem.

5. Attachments also fail to emphasize the fact that most of the Chinese mentioned have been barred from bases as many as four times previously, but still were able to reform companies and re-emerge as intelligence collectors, leaving one to conclude that they are reorganized by now and again active on some base in Japan.

for []

Attachments:

- A. Biographies of members of possible espionage group.
- B. [] notes keyed to Attachment A.
- C. Identity. (u/s/c)

12 June 1956

Distribution:

- 3 - Chief, FE, w/att
- 1 - Chief, FE-6, w/o att

JTX/dsk

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[]

Attachment B to FHHA-1459
dtd 12 Jun 56

□ □ STATION NOTES ON ATTACHMENT A

Subject # 5: LI Shih-fa (2621/0013/4099)

In the summary of this individual's activities he is mentioned as a former owner of the RITZ in Hong-Kong. It is known that KUBARK has some reports on this subject that may connect. It is also known here that □ □, a former KUBARK informant (fabricator), managed the swimming pool at the same RITZ up to the demolishing of the pool for new building in 1955. □ □ is commonly known as a Nationalist agent in Hong-Kong and makes frequent trips to Taiwan with athletic teams. He is an expert speed swimmer himself. It is not thought that any reports have ever considered □ □ as a Communist and this tenuous connection is not definitive.

Subject # 7: KU Yuan-ping (6253/3293/3453)

KU is mentioned as a brother of the manager of James S. Lee in Hong-Kong. At a point in the report (not forwarded) it is stated that the Japanese Police are observing the smuggling activities of James S. Lee and Company. It is also stated that James Lee was a part owner of the United Laundry Company, carried as a Communist organization. This is presumably the James S. Lee who has a store near Fenwick Pier in Hong-Kong and at one of the gates at Yokosuka.

It is possible that the owner of Johnson Tailors', Kings Road, Hong-Kong, has some connection with James Lee and Company as she is a Miss Ku who has branches in Taipei and Yokosuka or Yokohama. This possibility is remote due to the nature of Chinese names but Miss Ku, in late 1955, was one of the few tailors in Hong-Kong, as is James Lee, who was accredited to the Navy Purchasing Office, making her organization ideal for smuggling or espionage work. Identity A, after leaving KUBARK employment and before going to work for HBILKA, worked a short while for Johnson in Japan and may have some personal knowledge of the case.

00295
COMNAVFE
FAR EAST
NAVY, WASHINGTON, D.C.

IO-COMFE:212:sh
Ser: 00729
15 December 1955

SECRET

Att: FHHA 1459

From: Intelligence Officer, Commander Naval Forces, Far East
To: Director of Naval Intelligence (OP 021-E)

Subject: JAPAN - Personalities involved in suspected espionage activities

- Encls: (1) Counterintelligence Summary IO-COMNAVFE Ser CS-1-S-55, Copies #1, 2, 3
(2) Source Information for IO-COMNAVFE CS-1-S-55
(3) Preparing Officer's Comments for IO-COMNAVFE CS-1-S-55
(4) Forwarding Officer's Comments for IO-COMNAVFE CS-1-S-55

3. The copies of enclosures (1) through (4) are forwarded herewith for information and retention.

2. This letter may be downgraded to "FOR OFFICIAL USE ONLY" upon removal of enclosures (1) through (4).

[Signature]
J. T. TAYLOR

Copy to:

- COMNAVFE (2) (w/encl) (Copies No. 4 and 5) ← 3
G-2, AFCE/NA (REAR) (2) (w/encl) (Copies No. 6 and 7)
OSI, FEAF (1) (w/encl) (Copy No. 8)
ASTASNA HONG KONG (1) (w/encl) (Copy No. 9)
ALUSNA TAIPEI (1) (w/encl) (Copy No. 10)
ALUSNA SEOUL (1) (w/encl) (Copy No. 11)
IO-COMNAVFE (1) (w/encl) (Copy No. 12) —
SAG (3) (w/encl) (Copies No. 13, 14, and 15)
VIO SAGGIO (1) (w/encl) (Copy No. 16)
VIO BUKHAI (1) (w/encl) (Copy No. 17)
VIO MISHIGI (1) (w/encl) (Copy No. 18)

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INTELLIGENCE DEPARTMENT
COMNAVFOR NAVAL FORCES, FAR EAST
FPO, SAN FRANCISCO, CALIF.

COUNTERINTELLIGENCE SUMMARY

Att FHHA 1469

SECRET

M212 Ser: CS-1-S-55

Date of Information: Cut-off date: September 1955
Source: See Source Comments
Evaluation: See enclosures

Subj: JAPAN - Personalities involved in suspected espionage activities

- Ref: (a) AGofS for Intel, COMNAVFE conf ltr ser 0656, dtd 23 Jul 1954, subj: Chinese Laundry Companies in Sasebo, Japan; Possible espionage by
(b) IO-COMNAVFE conf ltr ser 01329 of 22 Dec 1955, subj: Sino-Japanese Communist Party Intelligence Agency
(c) IO-COMNAVFE conf ltr ser 01320 of 13 Dec 1955, subj: Chinese Communist Controlled Smuggling Rings

- Encl: (1) Subj: LIU Yu-chen
(2) Subj: CHOU Hsueh-lin
(3) Subj: CHI Chi-Kuang
(4) Subj: CHIANG Ping-Hsien
(5) Subj: LI Shih-fa
(6) Subj: CHANG Tsung-han
(7) Subj: KU Yuan-pin
(8) Subj: LIAO Tung-ning
(9) Subj: CHI Tsu-yun
(10) Subj: CHOU Pao-tzu
(11) Subj: WANG Hsien
(12) Subj: CHANG Kung-min
(13) Subj: KODAMA Yoshio
(14) Subj: KUO Liang
(15) Subj: KU Yuan-liang

WANG HUNG-HSICH-WB1 M212
KAMADA - HARRY L. L. L.

1. This Counterintelligence Summary contains fifteen (15) enclosures in which has been collected what reliable information is available pertaining to certain Chinese and Japanese characters who are involved in suspected espionage activities against the U.S. Navy in Japan. Information relating to the organizations behind these espionage activities is contained in references (a), (b), and (c)

SECRET

Copy No. 4

Enclosure (1) to
IO-COMNAVFE Sec ltr
Ser: 00729

At. FHHA 1459

SECRET

Att. FHHA 1406

Personalities involved in suspected espionage activities

Name: ~~X~~ Liu Yu-chen (0491 3768 3819)

Aka: ~~X~~ RYU Gyok Sing

Nationality: Chinese; Male CIT: Chinat?

DOB: 10 June 1913

POB: Wei-hai-wei City, Shantung Province, China

Permanent address: Same as place of birth OCE: BUSP

Present address: A#15, 1-chome, hon-cho, Yokosuka, Japan

Entrance into Japan: Arrived Kobe, Japan from Hong Kong, BCC on 5 May 1941

Family:

Wife ~~X~~ CHIANG Li-wen (3068 7787 2429); Female; Chinese National; DOB: 12 December 1923; POB: Nan-hai-hsien, Kuangtung, Province, China; Landed Kagoshima, Japan on 5 December 1926; Returned to Hong Kong (date unknown); Reentered Yokohama, Japan on 20 October 1954; Working as of September 1955 in GOLD LION CABARET, Yokosuka, Japan.

Education: Primary School in China; Speaks and reads Chinese and English; Can only speak Japanese.

Occupation:

1. RIEN RESTAURANT, #8, Yamashita-cho, Naka-ku, Yokohama, Japan, August 1941 to June 1943: Worker
2. WAKA-RO RESTAURANT, #18, 6-chome, Ginza-Mishi, Chuo-ku, Tokyo-to, Japan, July 1943 to November 1950: Worker
3. HAI-LI COMPANY (tailor), #1, Nakashimaji-sho, Sasebo, Japan, December 1950 to August 1951: Manager
4. HARRY COMPANY (Formerly HAI-LI), Taura-cho, Yokosuka and HARRY COMPANY, #11, Miharu-cho, Yokosuka, Japan: Manager
5. GOLD LION CABARET, #15, 1-chome, Hon-cho, Yokosuka, Japan, September 1951 to present: Director, invested ¥700,000
6. K. McGEE COMPANY (tailor), #1, 15-chome, hon-cho, Yokosuka, Japan, June 1954: Canvasser

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Enclosure (1) to
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Personalities involved in suspected espionage activities

- Continued:

Name: LIU Yu-chen (0491 3758 3819)

Summary of information:

1. Issued Alien Registration Certificate #0163719 by Naka Ward Office, Yokohama, Japan, effective 8 October 1954 to 8 October 1956. Japanese Police suspect illegal entry, however.
2. Denied access to Yokosuka Navy Base on 8 December 1954 for suspicion of smuggling.
3. Was instrumental in organizing the KYORYOKU COMPANY (laundry), Nubanchi, Nagaura, Taura-machi, Yokosuka, Japan. This company is connected with smuggling narcotics and textiles into Japan. (Source: CIC report, Subject: LEE Chen-sin Laundry Dutch Navy HRMS Vengalen, Tokyo; Originator's evaluation: B-3)
4. Informant brands the Subject as a Notorious Narcotics Smuggler (Evaluation: B-3)
5. Informant indicates that Subject is a close friend of KY Yuan-ping and CFI Chi-kuang (enclosure (3)). (Evaluation: B-3)

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Enclosure (1) to
CS-1-S-55

CS 649

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Att- FHHA 1458

Personalities involved in suspected espionage activities

Name: ~~X~~ CHOU Ksueh-lin (0719 1331 2651)

Aka: ~~X~~ Charlie CHOU

Aka: ~~X~~ CHOU Kir-lop

Aka: ~~X~~ CHOU Hok-lan

Aka: ~~X~~ SHU Gaku-rin

Nationality: Chinese; Male

DOB: 27 November 1908

POB: Ku-Chia-Tan, Wei-Hai-Wei, Shantung Province, China

Permanent address: #35, Chuntsu, O-ku, Tao, Hong Kong (aka Lockhart Road)

A: HONG KONG

OCC: BUSP

Present address: #2, 1-chome, Otaki-cho, Yokosuka, Japan

(Note: Now in Hong Kong; left Paneda Airport 17 June 1955)

(35 Lockhart Rd)

Entrance into Japan: Falsified Alien Registration Certificates show that Subject arrived Paneda Airport, Japan from Hong Kong, ECC on 24 December 1953 with legitimate passport. Registration Number 222; Permit No. 01747. It is learned from informants that Subject entered Japan illegally sometime in 1951. He was listed on the manifest of the Third Reparation Group for 1953 to Communist China. Apparently he bought his way off.

Family:

Wife ~~X~~ YAMAMOTO, Kiyoko; #62, 3-chome, Shiōiri-cho, Yokosuka, Japan

Son - One year old; Name unknown

Brother - Chou Pao-tzu (0719 0139 1311) (See enclosure (10))

Education: Three (3) years primary school, locality unknown; Speaks and reads Chinese and English; Needs an interpreter for Japanese

Occupation:

1. FASHION TAILOR SHOP, aka YAMAMOTO TAILOR SHOP, #4, 1-chome, O-taki-cho, Yokosuka, Japan, 1955: Proprietor
2. CHARLIE CHOU TAILOR, aka UNIVERSAL TAILOR COMPANY, aka HENRY TAILOR: Proprietor
3. GOLD LION CAFE/REST, Yokosuka, Japan, May 1952 to February 1954: Worker, invested ¥600,000

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Enclosure (2) to
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REF ID: A661458

Personalities involved in suspected espionage activities

Continued:

Name: CHOU Fsuch-lin (0719 1331 2651)

4. Prior to the end of World War II was a trader in Hong Kong.
5. Subject claims that he was at one time an enlisted man in the British Navy. Date of service unknown.

Summary of information:

1. Subject was fined (amount unknown, either ¥50,000 or ¥100,000) on 17 November 1954 for violation of the Customs Law concerning alcohol, and violation of the Foreign Exchange Control Law. When apprehended Subject was found in illegal possession of seven hundred American dollars, thirty Hong Kong dollars, and twenty five cents in Military Payment Certificate. The seven hundred dollars was impounded (Police records).
2. Subject, together with CHIANG Ping-hsien (1203 3521 6513) (enclosure (4)) and others, names unknown, smuggled six hundred (600) drums of gasoline from Hong Kong to Kuangtung, China. (Japanese Police informant, evaluation: F-6)
3. With CHIANG Ping-hsien (1203 3521 6513) (enclosure (4)), Subject is reported to have contributed one hundred thousand Hong Kong dollars to the People's Government in China when the Chinese Communist Army was stationed in Wei-hai-wei, Shantung Province, China. (Informant, evaluation: F-3)
4. Chinese informants claim that Subject has smuggled materials and narcotics aboard U.S. Navy ships. (Evaluation: B-3)
5. Chinese informant states that in 1952 Subject smuggled narcotics into Japan concealed within an automobile tire. (Evaluation: F-3)
6. Overseas agent for the Chinese Communist Party. (Evaluation: C-2)
7. Connected with the Chinese Communist controlled smuggling ring which operates under the direction of SUNG Wen-choh (1345 2429 0267) and Su Chi-tang (5685 3444 2768). This ring deals primarily in narcotics, the profits from which are used to finance Chinese Communist controlled buying of strategic materials in Japan. Subject makes contact with the ring through the GOLD LION CABARET in Yokosuka, Japan. TSUAI Ke-Hsien (5591 0668 0064), LUI Yu-chon (0491 3768 3819) (enclosure (1)), CHOU Pao-tau (0719 0202 1311) (enclosure (10)), and TSUAI Ke-lun (5591 0668 0243) are also elements in the same smuggling ring. (CIC report, evaluation by originator: B-3)

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Enclosure (2) to
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Att. FHHA 1459

Personalities involved in suspected espionage activities

Name: ~~X~~CHI Chi-kuang (2058 0366 0342)

Nationality: Chinese; Male citizen?

DOB: 17 June 1917

POB: Nanchu Tao, Wei-hai-wei City, Shantung Province, China

Permanent address: Same as the place of birth

Present address: (Since July 1954) c/o KATO, #5, 2-chome, Yoneganara-dori,
4 Yokosuka, Japan see: DUSP

Entrance into Japan: Registration Card indicates that Subject landed at Kobe,
Japan on 7 June 1939. Subject is suspected by the
Japanese Police of illegal entry, however.

Family:

Wife ~~X~~YU Hsiao-chieh (0151 5135 2212); DOB: 27 August 1918

Education: Speaks, reads and writes Chinese; does not speak Japanese;
speaks English

Occupation:

1. VICTORY LAUNDRY, Yokosuka, Japan, until June 1954: Solicitor
2. Souvenir shop, Yokosuka, Japan, July 1954 to present: Owner and operator.
3. K. McKEE TAILOR SHOP, Yokosuka, Japan, 1954: Solicitor
4. VICTORY LAUNDRY COMPANY, Yokosuka, Japan, 1955: Invested ¥150,000
5. GOLD LION CABARET, Yokosuka, Japan, 1955: Invested ¥300,000

Summary of information:

1. Subject is a member of the Yokosuka branch of the All Chinese Residents Association, 1955.
2. Japan Police Records indicate that Subject contributed money to the Chinese Communist Government. (Evaluation: C-3)

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Enclosure (3) to
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Personalities involved in suspected espionage activities

Continued:

Name: CHI Chi-kuang (2058 0366 0342)

3. Subject, in concert with CHIANG Ping-hsien (1203 3521 6513) (enclosure (4)) and others, smuggled six hundred (600) drums of gasoline from Hong Kong, BCC to Kuangtung, China sometime in 1950, and with the same associates made a contribution of one hundred thousand Hong Kong dollars to the People's Government when the Chinese Communist Army was stationed in Wei-hai-wei, Shantung Province, China. (Japanese Police informant; evaluation: F-6)

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Enclosure (3) to
CS-1-S-55

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Att. FHHA ~~WFO~~

Personalities involved in suspected espionage activities

~~H~~
Name: ~~X~~CHIANG Pei-g-hsuan (1203 3521 6513)

~~H~~
Aka: ~~X~~CHIANG Ping-hsien

~~H~~
Aka: ~~X~~CHIANG Pei-chen

~~H~~
Aka: ~~X~~CHIANG Pei-hsien

~~H~~
Aka: ~~X~~KYO Hei-ken

Nationality: Chinese; Male cit: China? sex: M

DOB: 11 January 1906

occ: DUSP

POB: Nan-chu-tap-tsun, Wei-hai-wei, Shantung Province, China

Permanent address: Same as the place of birth

Present address: c/o SAITO, #5, 1-chome, Hon-cho, Yokosuka, Japan

Entrance into Japan: Arrived ^{Japan} 15 February 1943 from Hong Kong

Family:

Common-law wife - SAITO, Shizuko; Japanese National; Female; whose daughters are Katsumi and Sachiko

Elder brother, two (2) older sisters, and two (2) younger sisters, all residing at Subject's permanent address. (Source: Foreign National Registration Certificate)

Education: Reads and writes Chinese fluently; speaks moderate Japanese and English.

Occupation:

1. Foreign National Registration Certificate shows that Subject was a scrap iron dealer in Taiwan for ten years; dates unknown.
2. Scrap iron dealer, 1946 to 1951, 8-1 Sanjo-deri, Kure City, Hiroshima Prefecture, Japan.
3. JACKSON COMPANY (tailor), #2016 Uchikawa Shinden, Yokosuka, Japan, 1953 to June 1954: President
4. GOLD LION CARPET, Yokosuka, Japan, 27 July 1954 to present: Manager and stockholder.

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Enclosure (4) to
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Att FHHA 1458

Personalities involved in suspected espionage activities

Continued:

Name: CHIANG Ping-hsuan (1203 3521 6513)

5. LIEN PO, aka UNITED FRIENDS COMPANY, a laundry for U.S. Armed Forces personnel only, in 1953: Owner. This laundry was established along with the CHIAO LIEN (0294 5114) for the express purpose of gathering information concerning the U.S. forces in Japan. (FRU FEC report; originator's evaluation: B-3)
6. CONSOLIDATED LAUNDRY COMPANY, #2578, Hui-rachi, Sasebo, Japan, 1953: Owner
7. VICTORY LAUNDRY, Yokosuka, Japan, and INTERNATIONAL COMPANY, Yokosuka, Japan: Silent partner

Summary of information:

1. Police files brand Subject as a supporter of Communist China, but there is nothing to document or to verify this.
2. FRU FEC reports show that Subject was involved in smuggling activities which included smuggling Communist underground workers into Japan for which Subject was apprehended in 1951.
3. Yokosuka Police files show that in 1950 Subject along with CHOU Hsueh-lin (0719 1331 2651) (enclosure (2)) and others, smuggled six hundred drums of gasoline from Hong Kong to Kwantung and that Subject, with these same people, contributed one hundred thousand Hong Kong dollars to the People's Government when the Chinese Red Army was stationed in Wei-hai-wei, Shantung Province, China. (Source: Japanese Police informant; Evaluation: F-5)
4. Police files show that Subject was elected director at the preparatory meeting for the establishment of an All Yokohama Chinese Residents Association held at the HARRY COMPANY in Yokosuka, Japan on 6 November 1954. Subject was also elected director at the general meeting for the establishment of an All Yokohama Chinese Residents Association held on 27 November 1954 at KIRIMOU RESTAURANT, Yokosuka, Japan. (Documented in Japanese Police files)
5. Police files show that Subject attended a welcome party on 20 July 1955 for WU Ying-chin (0149 2019 2953), a high ranking official in the Chinese Nationalist Government at Formosa. (Evaluation: B-6)

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Enclosure (4) to
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Att- FHHA 1459

Personalities involved in suspected espionage activities

Name: ~~X~~ ^HBI Shih-fa (2621 0013 4099)

Aka: ~~X~~ ^HLI Shu-fa (2621 2885 4099)

Aka: ~~X~~ ^HLI Ts'ai-fa (2621 6299 4099)

Aka: ~~X~~ ^HLEE She-fa (2621 0013 4099)

Aka: ~~X~~ ^HLI Tsai-fa (2621 6528 3127)

Aka: ~~X~~ ^HLI Ts'ai-fa (2621 5932 3127)

Aka: ~~X~~ ^HLI Choi-fa (2621 4099)

Aka: ~~X~~ ^HLI Choi-fat (2621 4099)

Aka: ~~X~~ ^HLEE C. F.

Nationality: Chinese; Male cit: China? Sex: M

DOB: 5 July 1915

acc: BUSP

POB: Wen-tang-hsien, Shantung Province, China

Permanent address: Same as the place of birth

Present address: #24, Midorigaoka Yokosuka, Japan

Entrance into Japan: Unknown

Family: Unknown

Education: Unknown

Occupation:

1. MOHRI-SHOKEI (Souvenir Shop), 1-25, Otaki-cho, Yokosuka, Japan, July to December 1954: Proprietor
2. CHU-KA WANTEN (Chinese Restaurant), #10, 1-chome, Hon-cho, Yokosuka, Japan: Shareholder
3. VICTORY LAUNDRY, Yokosuka, Japan; affiliated with: Capacity unknown
4. Before the Japanese occupation of Hong Kong, Subject was a member of the Hong Kong Police Reserve. With the fall of Hong Kong, Subject held a responsible position in the Japanese Gendarmerie in Hong Kong. (Evaluation: B-2)

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Enclosure (5) 34
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Personalities involved in suspected espionage activities

Continued:

Name: LI Shih-fa (2621 0013 4099)

Summary of information:

1. Prior to 1952 Subject owned and operated the RITZ GARDEN BALLROOM in Hong Kong. During this period he was also the head of the Hong Kong-Kobe, Japan narcotics smuggling ring known as the Shanghai Group. Subject is reported to have excellent connections among the Hong Kong Police, and as "Knight of the Night" was influential in criminal quarters in Hong Kong where he is said to have controlled narcotics, smuggling, and gambling. (Evaluation: B-2)
2. Japanese Police records show that Subject is a Communist agent assigned to this area (Yokosuka, Japan) to gather information of Jet Air Craft. (No evaluation)

*... who operated
... pool was closed in 1955.*

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Enclosure 1459
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ALL FHIA 1489

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ALL FHIA 1489

Personalities involved in suspected espionage activities

Name: ~~X~~ CHANG Tsung-han (1728 1350 3352)

Aka: ~~X~~ CHO So-kan

Aka: ~~X~~ CHO Chu-kai

Aka: ~~X~~ CHANG Chung-hai (1728-1813 3189)

Aka: ~~X~~ CHANG Sun-hang

Nationality: Chinese; Male; 5'6"; 158# CIT: China? Ser: M.

DOB: Unknown

POB: Unknown

Permanent address: Unknown

Post: Busp

Present address: 126 Yarashita-cho, Naka-ku, Yokohama, Japan (or)
FUKUKAI HOTEL, #12, 2-chome, Shimo Yamate-dori, Ikuta-ku,
Δ: Kobe, Japan

Entrance into Japan: Snuggled into Japan after World War II and left illegally in 1952. Illegally reentered in 1953 under the alias of CHO Chu-kai and immediately changed his name to CHO So-kan. Registered under Cho So-kan with a falsified passport permitting him to stay in Japan for one (1) year.

Family:

Mistress ~~X~~ SAKI Sayoko, DOB: 29 July 1918

Son ~~X~~ CHANG Cheng, whose mistress is ARAI Kyoko. Japanese Metropolitan Police records show ARAI Kyoko as a suspected Communist. Present address is the same as his father's; DOB: 1924

Education: Unknown; Speaks fluent English

Occupation:

1. At one time sailed with the Merchant Marine (Unevaluated)
2. Chinese Seamen Association (SOOI), known in CIC records as Chinese Communist front: Chairman; Dates of office unknown (CIC evaluation: B-3)
3. HONG KONG CECIL GEORGE COMPANY, Customs Tailors, Kobe, Japan, 1954 to 1955: Capacity unknown

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Enclosure (6) to
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Att FHHA 1469

personnel involved in suspected espionage activities

Continued:

Name: CHANG Tsung-shan (1728 1352 3352)

4. TAI FENG COMPANY, 1-516, Ranta-Sakae-machi, Kobe, Japan: A foreign trade company with which Subject has been connected at one time, nature or dates of affiliation unknown.

5. CHENG CHI COMPANY ("COES") (tailor), Yokohama, Japan: Owner in partnership with mistress, SONE Sayoko, and son, CHANG Cheng. This company did business on Karisoya Communications Facility, Johnson Air Base, and Camp Zama.

Summary of information:

1. Sent to Japan by Chinese Communist Government to subvert Chinese Nationalist crew members of non-Chinese ships. This operation was conducted through the Chinese Seamen's Association (SOGI), Kobe, Japan. (CIC report; Evaluation: B-3)

2. Tokyo Metropolitan Police records show that Subject is a big-time dealer in narcotics. Prior to 1952 Subject registered himself at the address of CHEN Yao-sung (7115 3613 2646) who also has a record with the Tokyo Metropolitan Police of suspected extensive narcotics trafficking.

3. When the Subject smuggled himself into Japan in 1953 he was carrying a letter of introduction from CHEN Li-fu in Hong Kong. CHEN Li-fu is the boss of CHENG Tien-fu who has been arrested by the Japanese Police for smuggling war materials out of Japan. (Possibly true)

4. Metropolitan Police records show that Subject was "assigned to work the Branch Sector of Shanghai as a narcotics control man" as an agent for IV Yuch-sheng (2629 6390 3932). (Unevaluated)

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Enclosure (6) to
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Att FHHHA 1469

Personalities involved in suspected espionage activities

Name: ^H KU Yuan-min (6253 3293 3453)

Aka: ^H KUO Yuan Ping

Aka: ^H KU Yuan Ping (6253 3293 3293)

Aka: ^H TANI Gen-nen

Aka: ^H TANI Gen-wei

Nationality: Chinese; Malayochina? Sex: M

DOB: Subject gives two DOB's: 20 July 1920 also and year 1917

POB: Kuchia Village, Wei-hai-wei, Shantung Province, China

Permanent address: Unknown

BCC: DUSP

Present address: #2016, Uchikawa-shinden A Yokosuka, Japan

Entrance into Japan: Illegal entrant at Kure, Japan 17 July 1946 from Hong Kong, supposedly aboard a British ship (Source: Japan National Police). Subject did not register until 1948 for which his-derance he was fined ¥5,000. This is probably a falsified record, however, with the actual illegal entry being sometime in 1951.

Family:

Common-law wife ^R ~~YAMASHITA~~, Uneyo; Female; Japanese National; DOB: 1935

First daughter ^R ~~YAMASHITA~~, Keiko; Female; Japanese National; DOB: 1953

Uncle - CHUNG Ping-hsien (1293 3521 6513) (See enclosure (4))

Brother - KU Yuan-liang, in Sasebo (See enclosure (15))

Brother - ^R KU Yuan-han, managing JAMES S. LEE COMPANY, Hong Kong, BCC

Education: Graduate of primary school, China; speaks good English and Japanese

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Enclosure (7) to
CS-1-S-55

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Att FHHA 1459

Personalities involved in suspected espionage activities

Continued:

Name: KU Yuan-ping (6253 3293 3453)

Occupation:

1. FRIENDS OF FREE CHINA COMPANY, Yokosuka, Japan: Shareholder, solicitor, and probably principle owner
2. FRIENDS OF FREE CHINA COMPANY, Sasebo, Japan, beginning 1950: Solicitor
3. Launderer in Hong Kong (date unknown)
4. UNITED COMPANY at Kurihara, Japan, 1952 (President of United Company at that time was his Uncle, CHIANG Ping-hsien): Solicitor and shareholder. Was the UNITED COMPANY representative on the Yokosuka, Japan Naval Base.

Summary of information:

1. UNITED COMPANY (for which Subject worked) was denied base pass for security reasons while owned and operated by Subject's uncle. (circa 1952)

Subject, when apprehended by Japanese Police in September 1955 on charge of suspected espionage activities, had classified ship position lists in his possession.

3. Subject has the reputation among the local Chinese of being a ready informant, and it is claimed by Chinese who knew of Subject in China that because of his informant activities many people were obliged to flee the mainland in order to avoid prosecution by the Chinese Communists. (probably true)

4. Fairly reliable Chinese informants report that Subject was the financier of the ship which was loaded with contraband and which was apprehended enroute to North Korea during the early days of the Korean War. Subject was not prosecuted at the time because another Chinese was pressured into taking the responsibility for the shipment. (Unverified - possibly true)

5. Chinese informants label Subject as a Chinese Communist Agent. (Evaluation: F-3)

6. Chinese informant stated that Subject while in China was a member of the Chinese Communist Party Campaign Committee in Wei-hai-wei, Shantung Province, China. (Evaluation: F-3)

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Enclosure (7) to
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Att FHIA 1459

Personalities involved in suspected espionage activities

Continued:

Name: KU Yuan-ning (6253 3293 3453)

7. When TAO Tsun-li (7118 6690 0448) was deported from the Omura detention camp, Japan, Subject put up ¥100,000 bail to get him released. Upon release TAO Tsun-li placed a notice in the AKAFATA (Japan Communist Party national publication) expressing appreciation to HASUGA, Shoichi for having supplied the money. HASUGA, Shoichi was apparently a false name used in order to publicize the gesture.

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Enclosure (7) to
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Att. FHDA 1409

Att. FHDA 1450

Personalities involved in suspected espionage activities

Name: X LIAO T'ung-n'ing (0525 0681 1627)

Aka: X LOU Ten-pin

Nationality: Chinese; Male

circumnat? Sex: M

DOB: Unknown

occ: BUSP

POB: Chengnei, Yanghsin-hsien, Shantung Province, China

Permanent address: Unknown

Present address: #12, 1-chome, Miharu-cho, Yokosuka, Japan

Entrance into Japan: Unknown - registered as a permanent resident

Family:

Common-law wife X SATOH, Kazuko, same address

Father was Lieutenant General for the KOUNMINTANG Army prior to World War II. He died before the outbreak of the War. (Reliability Unknown)

Education: Graduate of Economic Department, Keio University, Tokyo, Japan. Reads and writes Chinese and Japanese; Speaks English well.

Occupation:

1. Presently unemployed
2. VICTORY LAUNDRY, June 1952 to September 1955: Solicitor
3. VICTORY LAUNDRY, Yokosuka, Japan: Shareholder

Summary of information:

1. Informant reports that Subject is intimate friend of MAO Ming-chiu (1660 2494 3808) who is an active member of the leftist Chinese Residents Association. (Evaluation: C-2)
2. Informant relates that Subject is an intimate friend of CHU Po-nan (7110 0130 0589) who at one time worked for the VICTORY LAUNDRY in Yokosuka, Japan and who is presently proprietor of a tailor for the U.S. Navy personnel in Hiroshima. CHU's political affiliations are not known. (Evaluation: C-2)

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Enclosure (8) to
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Att FHHHA 1459

Personalities involved in suspected espionage activities

Continued:

Name: LAO Tung-ping (0525 0681 1627)

3. Denied access to Yokosuka Navy Base, Japan for security reasons on 13 October 1955.
4. Director of Yokohama Communist sponsored school. (Dates unknown)
5. Recipient of classified ship movement information from the Yokosuka Navy Base. (IO-COMNAVFE secret 119 dtd 27 December 1955, subj: ARMISTEAD, George Edward, LT, USNR, 385966/1105)
6. Instrumental in obtaining the aid of U.S. personnel in smuggling ¥3,500,000 worth of woollens from Hong Kong to Sasebo, Japan in the month of August 1955. These materials were eventually resold in retail for ¥10,000,000 in the Sasebo area. (Possibly true)
6. Police files at the Kanagawa prefectural level indicate that Subject was sent to Japan as a Chinese Communist Intelligence Agent specifically directed to collect information on the Yokosuka Navy Base. (Unevaluated)

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Enclosure (8) to
CS-1-S-55

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Att- FHMA 1469

Personnel involved in suspected espionage activities

Name: CH' I Tsu-yun (2058 1311 7180)

Aka: CPI Tsu-yung

Aka: SEKI Shj-un

Nationality: Chinese; Male

is: chinut? sex: M

- DOR: 6 September 1918

Occ: DUSP

- POB: Tientsin City, Hebei Province, China

- Permanent address: Same as the place of birth

Present address: #15, 1-chome, Hon-nachi, Yokosuka, Japan; Presently under detention by Japanese for illegal entry. Will probably be deported to Hong Kong.

Entrance into Japan: Illegal entrant in 1950; Made false registration

Family: Unknown

Education: Graduate of Peking University; Speaks Japanese

Occupation:

1. GOLD LION CAFE, Yokosuka, Japan, 28 September 1952 to 1 July 1954: Shareholder
2. UNGLI COMPANY, Yokosuka, Japan, 2 July 1954 to September 1955: Worker
3. ORIENTAL LAUNDRY COMPANY, Yokohama, Japan: Shareholder

Summary of information:

1. Placed under arrest by the Japanese Police September 1955 for espionage and Chinese Communist Activities at which time he confessed to being an active Communist. Because there was insufficient evidence to convict Subject the charges were changed to violation of immigration regulations and he was placed under detention by the immigration authorities.

2. When apprehended he was in possession of a list of names of four (4) Ensigns in the U.S. Navy attached to the USS HORNET who had been issued orders for cryptographic training at Naval Communications Facility, Kure, Japan. (Evaluation: A-1)

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Enclosure (9) to
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Att. FHHA 1459

Personalities involved in suspected espionage activities

Continued:

Name: CH'I Tsu-yun (2058 1311 7189)

3. Subject's employer, the ORIENTAL LAUNDRY, was placed on the Kariseya Station because of the intercession of LT ARMISTEAD (IO-COMNAVET secret 119 dtd 27 December 1955, Case No. 116-5(a)). This company maintained two trucks and five employees including Subject in order to handle a total monthly gross business of ¥25,000 (\$70.00). Such an operation would require an out-lay of a minimum of ¥100,000 per month meaning that Subject's company was intentionally operating at a loss of ¥75,00 per month.

4. Subject is listed as an investor in the JAPAN OVERSEAS CHINESE ECONOMIC COOPERATIVE (KAKYO KEIZAI GASSAKU SHA), #4, 3-chome, Shinbashi, Minato-ku, Tokyo, Telephone: 43-5463, 43-5072, as of January 1954. The organization is closely united financially to the leftist Tokyo Chinese Association. This cooperative finances individual members and groups and provides capital for illegal trade with Communist China. It is known to the Tokyo Metropolitan Police as the chief Chinese Communist financial network working in Japan.

5. Subject holds stocks in the TA TUNG HE TSUC COMPANY, aka TA TUNG FO TSO COMPANY (1129 0681 0678 0155) and the CHI CHIN HE TSUC, both of which are considered by Japanese Police to be affiliated with the Chinese Communists.

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Enclosure (9) to
CS-1-S-55

SECRET

Att FHHA 1489

Personalities involved in suspected espionage activities

Name: ~~X~~ CHOU Pao-Tzu (0719 0202 1311)

Aka: ~~X~~ CHOU Yen-nien (0719 1693 1628)

Aka: ~~X~~ CHOU Ten-Nien

Nationality: Chinese; Male CIT: CHINA?

SER.M

DOB: 8 December 1922

POB: Ku-Chia-Tan, Wei-hai-wei, Shantung Province, China

Permanent address: Mientian, Fsinohieh, Chinlung, Hong Kong

Present address: Under detention of Yokohara Immigration Office

Entrance into Japan: Illegal entrant in 1952 Japan

Family:

Brother - CHOU Hsueh-lin (0719 1311 2651) (Enclosure (2))

Education: Unknown

Occupation: Unknown

Summary of information:

1. Subject made illegal exit to Hong Kong in early 1954 after being placed on parole by Japanese authorities after a charge of illegal entry in 1952. At the time of his arrest Subject was living with his brother, CHOU, Hsueh-lin, under the alias of CHAO Yen-nien at #15, 1-chome, Fon-cho, Yokosuka, Japan.
2. Japanese Police state that Subject, around May of 1954, immediately prior to illegally reentering Japan, propositioned a U.S. sailor to smuggle in one pound of heroin to Japan. The heroin was received in Yokosuka by his brother CHOU Hsueh-lin. (Unverified - possibly true)
3. Active in Hong Kong to Japan smuggling of materials and narcotics. (Evaluation: F-2)
4. Japanese Police brand as a Chinese Communist. (Evaluation: F-2)

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Enclosure (10) to
CS-1-S-55

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Att: FHHA 1459

Personalities involved in suspected espionage activities

Continued:

Name: CHOU Pac-Tzu (0719 0202 1311)

5. Reliable informant states that Subject once moved ten (10) packages of smuggled goods from a British ship located in Yokosuka harbor. In transporting these packages ashore Subject used a small boat owned by the JACKSON COMPANY (tailor). The packages were delivered to CHOU Hsueh-lin. (Evaluation: C-2)

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Enclosure (10) to
CS-1-S-55

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Att. FHHA 1400

Personalities involved in suspected espionage activities

Name: ~~X~~ WANG Psien (3076 7359)

Aka: ~~X~~ WAN Shien

Aka: ~~X~~ WANG Shian

Nationality: Chinese; Male CIT: CHINA? Sex: M

DOB: 22 July 1918

Occ: BUSP

POB: #5 Kuan-Hsien-le, Tsingtao-City, Shantung Province, China

Permanent address: Same as the place of birth

Present address: #18, 1-chome, Higashi-hemmi-cho, Yokosuka, Japan

Entrance into Japan: Lived in Japan since 1937; suspected to have exited and reentered illegally.

Family:

Wife ~~X~~ CHI Shu Jung (2058 3219 5554); DOB: 1919

Common-law wife ~~X~~ FUJIOKA, Yanako; DOB: 1932

Education: Graduate of primary school; Speaks English; Needs interpreter for Japanese

Occupation:

1. Business record according to statement by Subject:

- 1937 - 1943: Worked for a restaurant in Tokyo, Japan
- 1943 - 1951: Proprietor of a Marine products store in Tokyo, Japan
- 1951 - 1954: Proprietor of a Marine products store in Yokohama, Japan
- 1954 - Laundering at the JACKSON COMPANY until it was closed down.

2. JACKSON LAUNDRY, aka CHIAO LIEN, aka WILSON LAUNDRY: Worker

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Enclosure (11) to
CS-1-S-55

Att. FILED 1459

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personnel involved in suspected espionage activities

Continued:

Name: WANG Maian (3076 7359)

Summary of information:

1. Japanese Police believe that he is a Communist. (Possibly true)
2. Japanese Police informant (verified - true)
3. Japanese Police files indicate that Subject is the ring leader in local (Yokosuka, Japan) smuggling activities. (Probably true)

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Enclosure (11) to
CS-1-S-55

Att FHHA 1469

Att FHHA 1469

is involved in suspected espionage activities

^H
Name: ~~ACHANG~~ Kung-min (1728 7895 3046)

^H
Aka: ~~CHENG~~ Kung-min

^H
Aka: ~~CHI~~ Chi-chia

^H
Aka: ~~CH'I~~ Chi-chieh (2058 1015 0267)

Nationality: Chinese; Male CITIZEN? Sex: M

DOB: 10 July 1911

POB: Ssui-lu (Sue Road), Kuangtung City, Kuangtung Province, China

Permanent address: Same as the place of birth

Present address: Unknown - sought by Japanese Police, 15 August 1955
Subject moved from Miharu-cho, Yokosuka, Japan, to
#1447, Sugita, Isogo-ku, Yokohama Japan

Entrance into Japan: Suspected illegal entry; Japanese Police believe that
Subject was smuggled into Japan aboard a British ship,
though his registration card says he landed at Kobe on 1 August 1937.

Family:

Common-law wife ~~X~~ HANAOKA, Kyoko; Female; Japanese National; DOB:
16 March 1930

Education: Unknown; Reads and writes Chinese, can neither speak or write
Japanese or English

Occupation:

1. VICTORY LAUNDRY, Yokosuka, Japan, 1954 - 1955: Stockholder
2. ORIENTAL LAUNDRY, Yokohama, Japan, 1954 - 1955: Stockholder
3. GOLD LION CABARET, Yokosuka, Japan, 1954 - 1955: Stockholder
4. ORIENTAL LAUNDRY COMPANY, Yokohara, Japan, dates unknown: Proprietor

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Enclosure (12) to
CS-1-S-55

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Att. #111A 1488

Subject involved in suspected espionage activities

Re: CHANG Kung-min (1728-7895 3046)

Summary of information:

1. An arrest warrant was issued against Subject for suspected connection in a narcotics case at the Peking-lou in Kobe in April 1951. Subject was arrested 8 December 1954, but was acquitted immediately for lack of sufficient evidence. Arrest was delayed because Subject was living under an alias.
2. Chinese informant states that the Subject is currently active in smuggling in the Kobe-Osaka, Japan area (Evaluation: C-2)

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Enclosure (12) to
CS-1-S-55

... involved in suspected espionage activities Att. FILED 1459

Source: [redacted] (1) Att. Japan

1. The information presented below was extracted from the Department of State Intelligence Report No. 6432-1 "A Cross-section of the Extreme Right in Japan", dated 18 December 1943, pages 8 and 9. It has been quoted in toto in lieu of redaction because all addressees of this Counterintelligence Summary do not hold the Department of State Report.

"One of the most notorious pre-World War II ultra-nationalists in Japan, the youthful Kodama Yoshio is widely reported to be active currently in behind-the-scenes rightist movements. Capable, influential, and daring, he had long and close connections with the military and right-wing governmental figures prior to and during World War II. A man of tremendous vitality and unlimited ambitions, he was arrested and imprisoned on various occasions in previous years for involvement in assassination plots and other rightist activities. He was also busily engaged during the 1930's in organizing and directing various ultra-nationalist, pan-Asian societies. During World War II, he served as "procurement agent" for the military in Shanghai, and is widely rumored to have thereby amassed a fortune, which has been cashed away awaiting the time when it can be openly spent. He himself claims that any funds which he may have acquired have been largely spent in "philanthropic" enterprises. After Japan's surrender, he was one of the backers of the then newly-organized Liberal Party, and is believed to have maintained close relations with Matoyama Ichiro. Since his release from Sugamo Prison in December 1948, rumors have connected him with a number of nationalistic movements and societies, and he is said to have enhanced his personal fortune through blackmarket speculations. At the present time, Kodama is reported to be working in close association with such other ultra-nationalist figures as Sasagawa Eyoichi, Mura Hichi, (Col.) Misui Kazunobu, and Uji Yoshio, and is rumored to be a supporter of the Matoyama faction of the liberal Party which recently broke away from the parent organization to form a new party. He has written an autobiography which became a best-seller and has been translated into English under the title, I Was Defeated.

"Kodama's career is as follows: Born February 18, 1911 in Yasuki, Yamaguchi prefecture of a poor family though considered to be of Samurai descent; received primary education in Seoul, Korea, and Japan, and attended night schools in Korea and Tokyo while working in factories, 1920-1926; is widely read in the social sciences, and is greatly influenced by leading Japanese nationalist theorists such as Okawa Shumei, Kasaka Ryomei, and Imazumi Taisuke; joined Akao Bin's Kenkoku-Kai (National Construction Society), an anti-Communist, pan-Asiatic group which was the forerunner of Akao's post-World War II Dai Nippon Aikoku-to (Great Japan Patriotic Party); imprisoned for petitioning the Emperor in person for unemployment relief and against the formation of a leftist party, 1929-1930; became a leading member of the Kyushin Aikoku Eiseisha Se-Rengai (Radical

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Enclosure (13) to
OS-1-S-55

(continued)

Name: KODAMA, Yoshio (小島 義生)

Patriotic Laborers Federation), an amalgamation of Tsukuf Tatsuo's rightist Shushin Jikkoku-to (Radical Patriotic Party) and later elements formerly in the Kenkoku-kai, and the Zen Nippon Jikkokusha Kyoso Toso Kyuikai (All Japan Patriotic Struggle Council), an attempted merger by Okawa Shumei of all rightist groups in Japan, 1931; participated in the inaugural of the Wikkyo Zenei Tai (Japan Joint Struggle Vanguard), a group of selected youths organized by Okawa Shumei, from whose ranks came the majority of those later active in the Ketsuaidan, the May 15, 1932, and Shinaitai assassination plots, 1931; imprisoned for having sent a dagger to Finance Minister Inoue Junnosuke with the suggestion that Inoue commit suicide, 1931-1932; arrested in police round-up of rightists suspected of implication in the assassination of Inoue Junnosuke, a part of the Ketsuaidan Incident, 1932; active in the Dai Nippon Seisan-to (Great Japan Production Party), an amalgamation of rightist groups under Uchida Ryohai; travelled to Manchuria, as representative of the Dai Nippon Seisan-to, and was in contact with Kasaki Ryorei, a leading exponent of Japanese expansion in China, 1932; upon his return to Japan, founded the Dokuritu Seinansha (Independent Youths Society), based upon Kasaki's principles, with a few other young ultra-nationalists, including Toyama Hidaka; imprisoned for plotting to assassinate the Genro (elder statesmen, advisers to the Emperor), October 1932-April 1937; active in the Nippon Juku (Japan Institute), composed of disciples of Inaizumi Teisuke, and the Dai Asia Kensetsu-kai (Great Asia Establishment Society), founded by the Foreign Office's Information Bureau, 1937; organized the Taishi Mondai Kai-katsu Kokumin Domei (China Problems Settlement National League), which had semi-official backing from the Foreign Office, 1937; founded the Nigatsyu-kai (February Society), successor to his Taishi Kokumin Domei, which was concerned with national politics as well as Japanese expansion in China, 1938; travelled to Central China, North China, and Inner Mongolia with the backing of the Foreign Office and his rightist organizations, 1938-1939; organized the Seisen Kantetsu Domei (Holy War Execution League), which propagandized Japanese expansionist activities in China, and the Seinen Nippon Undo (Japan Youth Movement) as a successor to his Nigatsyu-kai and which emphasized the role of youth as the main force in the reconstruction of Japan, 1938-1939; sent to China, as a non-official member of the Army General Staff, charged with guarding Yang Ching-wei on his journey from Hong Kong to Shanghai; made frequent trips between Japan and China for the Army and Foreign Office, 1939; reorganized his Seinen Nippon Undo under the name Kok Seinen Undo (Rise Asia Youth Movement) to include youths of Manchuria and China and published the magazine Tsiki (Justice), 1939; came into contact with Lt. Gen. Ishihara Kanji, and through him met Col.

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Enclosure (13) to
CS-1-S-55

in alleged activities in suspected espionage activities

Biography:

Name: KODAMA, Yoshio (1898-1948)

Kodama Masanobu, then in Charge of the Army's "thought" activities in Shanghai, 1940; worked with Tsuji, as an unofficial employee of the Army GPC in China, and as a representative of Ishihara's Ten Ren-tai (East Asia League), 1940; chief of the Far Eastern Section of Sasagawa Pzochi's Kokusui Teishu-to (National Essence Party) and manager of the Nipponshugi Jinen Kaigi (Japanist Youth Council), an attempted merger of nationalist groups to propagate Japanism throughout the world which was violently anti-American, 1941; a Director of the Dai Nippon Kaigi (Great Japan Asia League), an amalgamation of 61 societies concerned with Japanese activities overseas, and a leader of Kochikatsu-kai (August Society), composed of nationalist leaders, 1941; during the first years of World War II, organized and operated a purchasing agency in Shanghai for the Japanese Naval Air Forces which involved handling large sums for the Naval Air Forces, and later for the other services; (his procurement organization was officially called the Kodama Kikan (Kodama Organ), and served also as an intelligence agency of the Japanese Government), 1941-1943; unsuccessful Diet candidate in April 1942 elections; manager of the rightist newspaper Yamato Shimbun following the death of its proprietor, his old friend Awata Fumio, November 1943; assigned duty by Naval Air Forces of acquiring and operating mines in Japan producing strategic metals such as tungsten and molybdenum, 1944-1945; assigned by the Navy to direct various official chores, such as repairing airfields, salvaging scrap, and electrolyzing salt, during the last months of World War II; member of Cabinet Advisory Council, Higashikuni Cabinet, August 1945 (post obtained through high official connections, including General Ishihara); began to organize a new, "democratic-style" political party, the Nippon Hoku-in-to (Japan Peoples Party), October-November 1945; interned in Sugamo Prison, but not indicted, as a Class "A" war crimes suspect, January 1946-December 1948; barred from official political activities as a Class "A" purged, December 1948 to end of occupation.

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Enclosure (13) to
CS-1-S-55

Att FHHA 1480

Activities involved in suspected espionage activities

N
Name: WU Liang (6763 6158)

Nationality: Chinese; Male CITIZENSHIP? SEX: M

DOB: Unknown

POB: Beiping, He-bei Province, China

POC: BUSP

Permanent address: Unknown

Present address: Sasebo, Nagasaki-ken, Japan

Entrance into Japan: Japanese Police files indicate that Subject is suspected of being an illegal entrant - date unknown.

Family:

12
Father WU Chun-hsin (See summary of information, paragraph 1.)

Education: "Overseas Student" to Japan from He-bei Province; date unknown

Occupation:

1. VICTORY LAUNDRY, Sasebo, Japan, 1955: Proprietor
2. ICHI ICHI RESTAURANT, Sasebo, Japan, date unknown: Manager

Summary of information:

1. Japanese Police files contain the indication that Subject was connected with the WU Chun-hsin Group, an organization composed primarily of illegal entrants who deal in smuggling, counterfeiting, illegal foreign National Registration Cards, and in illegal entrants. (Evaluation: B-2)
2. Informant states that Subject is the main figure among the Chinese Communists in the Sasebo area. (Evaluation: C-2)
3. Informant states that Subject was the man responsible for collecting information in Kyushu, Japan for the Chinese Communists; but, that Subject was relieved by WU Liang Jan-hao who is presently operating the "CHI-CHI" Chinese restaurant in Fukuoka City, Nagasaki-ken, Japan. (Evaluation: C-3)

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Enclosure (14) to
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Att. FUCHA 1450

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Personnel involved in suspected espionage activities

~~Verdict~~ ^M ~~Yuan Liang~~ (6253 3203 5326)

~~AKA~~ ^M ~~Yuan Lian~~

Nationality: Chinese; Male CIT: Chinese Sex: M

DOB: 6 April 1908

POB: Pei-Men-wei-tsun, Wei-Hai-Wei, Shantung Province, China

Permanent address: Same as the place of birth see: BUSP

Present address: Sasebo, Japan and Yokosuka, Japan

Entrance into Japan: Japanese Police files and independent informant state Subject illegally entered after World War II, date unknown. (Probably true)

Family:

Brother - ^D ~~KU~~ Yuan Han, managing JAMES S. LEE, Hong Kong, PCC

Brother - KU Yuan Ping (Enclosure (7))

Uncle - CHIANG Ping-tsien (Enclosure (4))

Education: Unknown

Occupation:

1. UNITED LAUNDRY, Yokosuka, Japan, date unknown: Capacity unknown
2. UNITED FRIENDS COMPANY (laundry), aka LIENYU COMPANY, 2564 Hiu-cho, Sasebo, Japan, December 1953 to July 1954: Manager
3. FRIENDS OF FREE CHINA LAUNDRY, Yokosuka, Japan, July 1954 to September 1955: Employee

Summary of information:

1. Subject carries a certificate to prove that he was Chief of Police in Hong Kong during the Japanese Occupation. The certificate is signed by one SHIOSAWA, the ex-military police officer in Hong Kong. Mr. SHIOSAWA does not remember any person by this name or description.
2. Informant states that Subject was involved in the narcotics case known to the Japanese Police as the PEI-CHING-IU case in Kobe, Japan. He is supposed, according to this informant, to have aided in smuggling these narcotics from the HMS UNICORN into Kobe, Japan. (Evaluation: C-3)

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Enclosure (15) to
CS-1-S-55

COMMUNICATIONS SECTION
COMNAVFORC, FAR EAST
APO, SAN FRANCISCO, CALIF.

Att FHHA 1469

COUNTERINTELLIGENCE SUMMARY

SECRET

N212 Ser: CS-1-S-55

Subj: JAPAN - Personalities involved in suspected espionage activities

Source Information: Sources utilized in collecting the information contained in Intelligence Officer, Commander Naval Forces, Far East Counterintelligence Summary CS-1-S-55 can be divided into three basic categories: U.S. Government Agencies, Japanese Government Agencies, and Confidential Informants. U.S. Government Agencies include Intelligence Office, Commander Naval Forces, Far East, G-2, United States Army Forces, Far East and his Security Group and 441st CIC Detachment, and FRU FEC. The Japanese Government Agencies taking part in the investigation were the Tokyo Metropolitan Police Department, second guard section; the Kanagawa Prefectural Police, second guard section; and the Yokosuka City Police. In addition, Confidential Informants were employed by the Japanese Police, by agents of the 441st CIC, and by agents of Intelligence Office, Commander Naval Forces, Far East. Information of biographical nature found in the files of recognized intelligence agencies has been included without attempting an evaluation. The (A-1) to (F-6) evaluation scale was used only when the source of information was known. Frequently official agencies both U.S. and Japanese produced information received from informants but failed to designate the informant or to evaluate the information along the (A-1) to (F-6) scale, in which case it was considered fallacious to attempt any source evaluation, therefore only the information was given an evaluation designation. It was further considered confusing and sometimes incomplete to use simply a number code, so words other than those normally associated with the number scale were used in an attempt to clarify the worth of the information and to indicate the degree of credence awarded to it by this officer in light of the circumstances in which it was collected.

SECRET

Enclosure (2) to
IC-COMNAVFE Sec 1tr
Ser: 00729

INTELLIGENCE DEPARTMENT
COMMANDEER NAVAL FORCES, FAR EAST
FPO, SAN FRANCISCO, CALIF.

COUNTERINTELLIGENCE SUMMARY

Att FHHA 1459

SECRET

N212 Ser: CS-1-S-55

Subj: JAPAN - Personalities involved in suspected espionage activities

Preparing Officer's Comments: On 27 September 1954 the Terioka Field Office of the 441st CIC Detachment alerted the Intelligence Officer, Commander Naval Forces, Far East to the unfavorable conduct and contacts of one LT "Ed" ARMISTED. An investigation based on this information brought forth many Chinese and Japanese personalities the most colorful of whom have been written up and presented as enclosures (1) through (15) to Intelligence Officer, Commander Naval Forces, Far East Counterintelligence Summary CS-1-S-55. Some of these personalities have been the subject of previous investigations conducted by other organizations both American and Japanese, but, because of the complex and confusing pattern which inter-relates these personalities, no investigation had ever been successful in uncovering enough of the total picture to unquestionably show that an espionage network which embraces the Far East is preying on the innocence of U.S. Service personnel. Through the investigation it became evident to Intelligence Officer, Commander Naval Forces, Far East that members of an espionage ring which was flourishing throughout the Far East were operating large scale activities out of Yokosuka, Japan. This information when pieced together made certain personalities stand out as key figures, as subjects on whom further investigation was imperative because their backgrounds indicated that they were involved in many more activities than had been uncovered to date.

From this investigation it appeared at first that the Subject was aware of these espionage activities, but further investigation tended to disprove this so the Subject was exonerated of the charges of illegal disclosure of classified information. It was proved, however, that espionage activities had been taking place and that implicated in them was a group of over-seas Chinese and Japanese with notorious backgrounds.

These over-seas Chinese are a silent force out of proportion to their numbers. This force is being employed by the Communist powers to infiltrate the facilities of the United States Military Forces to carry on extensive espionage and smuggling activities. The agents carrying on these activities are well-grounded in the foibles of the American mentality and employ every conceivable trick to penetrate the well-meaning U.S. serviceman. When the occupations of the personalities in this report are examined it is noticed that these men are with astounding frequency associated with laundries and tailors. These agents working through the innocuous front of small time businesses provide services and offer gifts in such a way as to avoid letting the serviceman make the association between the friendly

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Enclosure (3) to
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8212 Ser: CS-1-S-55

Preparing Officer's Comments, continued:

gestures and the collection of information. Free laundry and cut-rate bargains on tailoring are representative of seductive approaches which assuage mistrust and overcome caution making the unwitting serviceman vulnerable in the hands of an adroit agent. In return for the favors the serviceman is asked to supply information for outwardly innocent purposes or to aid the small businessman in transferring funds to Hong Kong and materials from Hong Kong to Japan. Such smuggling activities when linked to active espionage become highly deleterious to the best interests of the United States.

The Field Research Unit, Far East Command, G-2, United States Army Forces, Far East 441st CIC Detachment, and Security Group, and the Japanese Police were requested to provide all pertinent information contained in their files relative to the backgrounds and activities of these personalities. This Counterintelligence Summary represents a compilation of all material received from these sources. The information required for a complete analysis is not available and this Summary represents only a partial picture of the activities of these personalities. The Director of Naval Intelligence is requested to provide the Intelligence Officer, Commander Naval Forces, Far East with all information on these characters which may be available on the National level.

CIC: USA
The information contained in enclosures (1) through (15) is being forwarded as an interim report to serve as a reference for Intelligence Officer, Commander Naval Forces, Far East Secret report, Case No. 116-5(a), dtd 27 December 1955, subject: ARMISTEAD, George Edward, (LT) USNR, 385966/1105. The disposition of the case on LT ARMISTEAD and the relation of this Counterintelligence Summary to the investigation is explained in detail in the investigation report.

Prepared:

Charles B. Warden Jr.
CHARLES B. WARDEN, Jr.
ITJG, USNR

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Enclosure (3) to
IO-COMNAVFAR sec ltr
Ser: 00729

Att. FHHA 1469

CONFIDENTIALITY SUMMARY

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Subj: JAPAN - Personalities involved in suspected espionage activities

Forwarding Officer's Comments: The forwarding officer is personally of the opinion that the characters represented in this report should be presumed to present the threat perceived by the preparing officer. At the same time it should be pointed out that in spite of much presumptive evidence no real proof of the existence of a centrally directed espionage effort to infiltrate U.S. Military Forces in Japan has yet come to light. Nevertheless, it is felt that it is only safe to assume that such an effort exists and that the characters presented in this report may be part of it whether or not they are acting directly as instructed agents or as mere opportunists.

Forwarded:

[Signature]
L. TAYLOR
Captain, USN

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Enclosure (4) 1
IO-CD NAVY Sec
Sert: 00729